Filip to global agri-products trade

1336. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that according to FICCI, our food processing industry needs a fillip in the form of fiscal support in order to enhance country's share in the global agri-products trade;

(b) if so, the steps taken by Government during the last two years in this regard;

(c) whether FICCI has also submitted any proposals to Government during the last one year;

(d) if so, the details thereof; and

(e) the action taken thereon?

THE MINISTER OF STATE OF THE THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (e) Representations have been received from various organizations including FICCI for enhancing growth of food processing industry. Government has already announced several measures as per following details in the Parliament for growth of food processing industry:

Government has announced on 8th July, 2004 in Parliament the following major decisions:—

(a) To allow under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables;

(b) Present excise duty of 16% on dairy machinery has been fully waived for promotion of dairy processing industries;

(c) Excise duty on food grade hexane used in edible oil industry has been reduced from 32% to 16%.

In the Budget of 2005-06 the following measures were announced for FPI Sector:—

1. Excise duty of Rs. 1.00 per kg. on refined edible oil and Rs. 1.25 per kg. on vanaspati abolished.

2. Customs duty on refrigerated vans reduced from 20% to 10%.

In the Budget 2006-07 the Government have announced the following incentives to the Food Processing Sector:—

1. Custom duty on packaging machines to be reduced from 15 per cent to 5 per cent.

2. Custom duty on Vanaspati increased to 80%.

3. Excise duty on condensed milk, ice cream, preparations of meat, fish and poultry, pectins, pasta and yeast fully exempt.

4. Excise duty on ready-to-eat packaged foods and instant food mixes, like dosa and idli mixes reduced from 16 per cent to 8 per cent.

5. Excise duty on aerated drinks has been reduced from 24 per cent to 16 per cent.

6. Excise duty on packaging paper has been reduced from 16 per cent to 12 per cent.

7. Rs. 150 crore earmarked for NHM for terminal markets.

These measures have been announced to encourage the growth of food processing industries which shall also enable industries to become more competitive in the global market as well.

Besides this, the Government through Agricultural and Processed Food Products Export Development Authority (APEDA) and Marine Products Export Development Authority (MPEDA) as well as various Commodity Boards under the Department of Commerce provides financial and promotional support for enhancing agri and agri based export.